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Chairman: Mr. Kmoníček ..... (Czech Republic)
later: Mr. Elkhuizen (Vice-Chairman) ..... (Netherlands)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 10.10 a.m.

Agenda item 130: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (A/57/747; A/58/294 and A/58/364)

1. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services), introducing the report of the Office of Internal Oversight Services (OIOS) for the period from 1 July 2002 to 30 June 2003 (A/58/364), said that the report had followed past practice: section II, on oversight results and assessments, highlighted OIOS recommendations of critical importance to the Organization and illustrated their effect (in terms of implementation rates, intended impact, expected and actual cost savings and recoveries), while section III, on future challenges and strategic initiatives, showed the intended direction of the work of OIOS in the coming year.

2. The report also contained some new features: annex II on critical recommendations issued before July 2002 which were still awaiting implementation as of 30 June 2003, and annex IV on the OIOS risk-management framework, which listed the top ten risks to the Organization's resources and reputation and the three projects OIOS was undertaking to mitigate those risks.

3. During the reporting period, OIOS had aimed to maximize its impact on the Organization by carrying out balanced and objective oversight activities in partnership with the Member States and managers at all levels, examining administrative obstacles, making broad assessments of programmes (as the Committee for Programme and Coordination had requested) and performing consultancy work to help departments and offices with change management.

4. The Office had made 2,737 recommendations, 29 per cent of which were considered critical to the Organization because they called for improved productivity, cost savings and recovery, and accountability for fraud, waste, and abuse. As of August 2003, management had implemented over 50 per cent of all OIOS recommendations, including 33 per cent of the critical recommendations. The recommendations could potentially save the Organization approximately $37 million. Actual savings had amounted to a total of $15.4 million. Programme managers must make sustained efforts, often over a number of years, to ensure that potential improvements were achieved.

5. Significant OIOS achievements during the reporting period had included change management consulting assignments for the Department for General Assembly and Conference Management, the Office of Human Resources Management and the Department of Public Information. The Office had audited the United Nations information centres, making recommendations for an urgent rethinking of their role and impact which the Department of Public Information had begun to implement. It had recommended that the Department of Peacekeeping Operations should take action to improve the liquidation of peacekeeping missions, the procurement of goods and services from Governments and the recruitment of staff. Together with the Anti-Fraud Office of the European Union, OIOS had investigated the misappropriation of $4.2 million by a former senior staff member of the United Nations Interim Administration Mission in Kosovo (UNMIK); the German authorities had successfully prosecuted the individual concerned. With the Office of Legal Affairs and the United Nations Office on Drugs and Crime, OIOS had proposed that the Convention against Corruption, which was due to be signed in Mexico in December 2003, should include provision for criminal sanctions against international civil servants engaged in wrongful acts and for the recovery of any proceeds from such acts.

6. As the report described, OIOS had taken a new approach by identifying key risks for the Organization, which included safety and security, procurement and peacekeeping. OIOS had applied its risk-management framework to its own annual work plan in order to target its oversight assignments more effectively. Together with other departments and offices of the United Nations, OIOS was spearheading an organizational integrity initiative, using training, surveys and communication to boost integrity and professional ethics.

7. Introducing the report of OIOS on the audit of the functioning of the Headquarters Committee on Contracts (A/58/294), he said that the aim of the audit had been to assess whether the four-member Headquarters Committee on Contracts was able to fulfil its mandate effectively and efficiently with its existing structure and procedures and whether its activities added significant value to the procurement process.

8. The audit had concluded that the Headquarters Committee on Contracts had a considerable impact on procurement, having reviewed 1,498 procurement cases valued at approximately $3 billion, but that its methods could be improved. OIOS had noted that the Chairman of the Headquarters Committee was administratively responsible to the Office of Central Support Services, the functions of which included procurement. That created a potential conflict of interest, although there had been no evidence that the integrity of the review process had been compromised.

9. The Office took the view that the process would be more efficient if the current $200,000 threshold for review was increased to $500,000 or even $1 million. The reason was that procurement contracts under $1 million represented 68 per cent of the cases reviewed in numerical terms but only 11 per cent in value terms.

10. An analysis of the records of the Headquarters Committee on Contracts had shown that its members spent an average of only two days reviewing cases, even cases with significant monetary value. Although some cases involved valid exigencies or urgent operational requirements, the Committee should allocate adequate time for review. The number of exceptional submissions arriving before the Committee less than two working days before its scheduled meetings was too high, at 14 per cent.

11. The Procurement Manual's definition of exigency had not been met in many ex post facto or partial ex post facto reviews because of poor planning of requirements or delays in administrative processing. The Procurement Manual should also be revised to give a clear description of the tenure and voting process for members of the Headquarters Committee on Contracts and to include the pre-clearance procedure established in 2000 for what were likely to be straightforward procurement cases.

12. Introducing the OIOS review of the structure and operations of United Nations information centres (A/57/747), he said that the OIOS audit had highlighted the need for an urgent rethinking of the information centre concept, in terms of usefulness and continued relevance. The Department of Public Information should update the goals, strategies and objectives of the information centres and assess how much such centres were needed in developed countries.

13. Rent and office maintenance, which accounted for almost 40 per cent of the non-staff operating costs of the information centres, were highest for centres in the capitals of developed countries, which were also often allocated more staff, including more senior staff, while centres elsewhere remained underresourced and had difficulty serving their countries or regions. OIOS called for more attention to be paid to information centres in developing countries, where the public had less access to the Internet and libraries, and for the continued operation of centres, and the establishment of new centres, to be made conditional on the Member State concerned either supplying premises rent-free or providing a subsidy for rent and maintenance costs.

14. When OIOS had carried out its review, there had been no requirement for information centres to submit annual work plans to the Department of Public Information for review and approval. Although they had been required to submit monthly activity reports, only one third of the centres had been doing so regularly. OIOS had recommended that the Department of Public Information should require information centres to submit annual plans and should fill certain vacant posts in order to strengthen central monitoring.

15. The Department of Public Information should conduct an in-depth evaluation of its options to address the issues highlighted in the report. Those options included restructuring information centres on a regional basis, integrating more information centres with local United Nations Development Programme offices or offices of the lead United Nations agency in a particular country or region, and transferring some information responsibilities to civil society partners, such as United Nations Associations, in developed countries. The Department had accepted all of the 15 OIOS recommendations in the report, and had already implemented eight of them.

16. **Mr. Martini** (Italy), speaking on behalf of the European Union, the acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, the associated countries Bulgaria, Romania and Turkey, and, in addition, Iceland, Liechtenstein and Norway, said he was concerned that many OIOS recommendations, including some which were considered critical for the Organization, had not been implemented. However, significant improvements had been made by the implementation of OIOS recommendations relating to peacekeeping and the management of the Office of the United Nations High Commissioner for Human Rights, areas which the European Union considered a priority.

17. The European Union attached great importance to good governance and accountability and therefore welcomed and would follow closely the organizational integrity initiative. With regard to results-based management, the European Union supported the view of OIOS that senior managers must monitor progress towards planned objectives and expected accomplishments. The Secretariat's capacity for self-evaluation and self-monitoring should be further enhanced; OIOS could assist programme managers in that regard. The risk-based work-planning framework which OIOS had introduced would improve oversight work and cross-disciplinary teamwork and thus enhance its effectiveness to the benefit of the Organization.

18. The recommendations of OIOS regarding the Headquarters Committee on Contracts were welcome, as was the acceptance of those recommendations, although the European Union noted that one of them was still under consideration. With regard to the OIOS recommendations regarding the United Nations information centres, the European Union believed that rationalization along the lines of the closure of nine information centres in Europe should be followed rapidly by similar steps in other regions.

19. **Ms. Attwooll** (United States of America) said that the OIOS review of the structure and operations of United Nations information centres (A/57/747) had shown the stark reality of the centres' situation and provided sound guidance which the Department of Public Information should heed. Although the recommendations pre-dated the "hub" initiative of the Secretary-General, many of them would still be relevant.

20. The major findings of the audit had been sobering, revealing problems such as the inability to assess the information centres' relevance, impact and effectiveness; a serious lack of reporting and evaluation; a lack of criteria for allocating resources; severe underutilization of library facilities; and the need for an urgent rethinking of the concept, mandates, goals and strategies of the information centres.

21. Her delegation supported a consolidated and coordinated approach to the dissemination of information, which would target activities where the need for them was clear and make the location of centres less arbitrary. In that connection, the closure of nine information centres and the agreement between the Department of Public Information and the European Union for a hub to be operational in 2004 was a positive development.

22. Her delegation agreed fully with the comment of OIOS that the United Nations should call on civil society partners and other United Nations entities to assume greater responsibility for public information. All United Nations hub and information centre activities should be coordinated with other United Nations entities in a given region in order to avoid duplication. She asked the Department of Public Information and/or OIOS to explain what steps had been taken to respond to the request of the General Assembly in resolution 56/253 concerning questions relating to the proposed programme budget for the biennium 2002-2003 and the possibility of cost-sharing.

23. Her delegation had been particularly alarmed about the information centres' lack of planning, reporting and evaluation, which suggested that many of them were being funded for no other reason than to have an office open in a given country. It wondered why the staff of the Department of Public Information responsible for oversight and administration of the information centres had not taken steps to make sure that they were run effectively and efficiently, since field information activities absorbed approximately one quarter of that Department's budget. In the future, the existence of a hub or information centre should depend on the proven need for its presence and be accompanied by a clear operational strategy with expected results and benchmarks to assess impact.

24. Thorough and rapid reform of the United Nations information centres was needed. Individual centres should be replaced by hubs funded from resources released as a result of the closure of the individual centres. The result would be a viable system that would effectively fulfil the mandate of providing information for national constituents.

25. **Mr. Dutton** (Australia), speaking also on behalf of Canada and New Zealand, agreed that high standards of integrity and ethics were crucial to strengthening the Organization, and thus supported the organizational integrity initiative. The Secretary-General and OIOS should ensure that ethical standards were clearly defined, that all staff were appropriately trained and that there were effective systems for preventing fraud and misconduct.

26. The most important dimension of the results-based approach was the cultural shift from management that focused on output to management that focused on results. OIOS could help programme managers to make that transition. The risk-based work-planning framework which OIOS had introduced was the best way of getting the best use from limited resources.

27. The delegations for which he spoke had been concerned to read in the report of OIOS for the period from 1 July 2002 to 30 June 2003 (A/58/364, para. 26) that the Office of the United Nations High Commissioner for Refugees in Nairobi had not yet introduced an effective system for receiving and investigating complaints from refugees and that the current system of refugee registration remained open to fraud. They asked for further details of that situation. They had also been concerned to read in the report (paras. 117 to 119) that the United Nations Office at Nairobi had rejected OIOS recommendations, and called for the application of procurement rules at that Office to be clarified. Moreover, they were keenly interested in the response to General Assembly resolution 57/306 on investigation into sexual exploitation of refugees by aid workers in West Africa; the United Nations had a responsibility to protect vulnerable people in its care from sexual abuse. The publication of the Secretary-General's bulletin on special measures for protection from sexual exploitation and sexual abuse (ST/SGB/2003/13) had been a welcome step in that connection.

28. *Mr. Elkhuizen (Netherlands), Vice-Chairman, took the Chair.*

Agenda item 119: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*) (A/58/81 and A/58/211)

29. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services), introducing the report of OIOS on the review of duplication, complexity and bureaucracy in United Nations administrative processes and procedures (A/58/211), said that the report highlighted a number of practical ways in which the processes under review could be improved and the need to change some of the fundamental ways in which the Organization approached its operations. Implementation of the report's recommendations would have a demonstrable effect that could in turn drive more efforts to improve the Organization's efficiency and effectiveness.

30. The review had found that many of the Organization's processes were paper-based, complex and time-consuming, all of which contributed to duplication and complexity. The Organization also imposed layers of control that slowed down processes without providing any real value. It was clearly necessary to eliminate duplicative data entry, excessive approvals and paper-based transaction processing. It was not enough, however, simply to remove those impediments without introducing suitable accountability mechanisms and systems to ensure that the Organization was not put at risk. The recommendations in the report were therefore related to the larger issue of the critical need to adopt an enterprise-wide approach to the use of information technology in automating processes and to put in place policies that would hold staff accountable.

31. The Office had worked closely with the Department of Management to identify solutions and develop the case for certain of the recommendations contained in the report. A number of the solutions for eliminating duplicative and complex processes had come from consultations with staff members. Some of the improvement initiatives begun during the course of the review had been completed by the time the report had been finalized. The task force established by the Department of Management to review the delegation of authority in the Organization would also redefine the role of the executive office, as recommended in the report.

32. In response to the scepticism of those who believed that changes were almost impossible to implement, OIOS believed that a commitment to improving the administrative processes of the United Nations should be demonstrated by the implementation of the recommendations contained in the report. It was not enough, however, to express a commitment to change. Resources were also needed, but the return on the investment could be justified not only in cost savings but also in the Organization's ability to deliver services to Member States and other stakeholders more efficiently. A structured change management process was also needed to help staff understand and buy into the new methods and procedures.

33. Introducing the report of OIOS on the audit of the Investment Management Service of the United Nations

Joint Staff Pension Fund (UNJSPF) (A/58/81), he recalled that OIOS had conducted an initial risk assessment of the operations of UNJSPF in early 2002, which had shown that the main risks were in the investment area. OIOS had therefore reassessed its audit plan and would in future place greater emphasis on the Fund's investment activities. One of its goals was to ensure due diligence in the management of investments and adherence to the best practices in the industry so as not to put UNJSPF funds at risk. Recent OIOS audits of the investment management, procurement and contract administration activities of the Investment Management Service had identified critical risks and issues in a number of areas, including policies and procedures; organizational structure and accountability; the internal control environment; a code of ethics; and contractual arrangements with investment advisers, particularly with respect to performance evaluation and value-for-money considerations.

34. A number of critical issues raised in the report related to the overall control environment at the Investment Management Service. For example, the existing organizational structure did not provide for an adequate supervisory framework and the segregation of duties. An excessive concentration of investment responsibility had also been vested in one senior investment officer, who managed nearly 30 per cent of the Fund's total investments. Moreover, contrary to the Service's Organization, Policies and Procedures Manual, the Director alone managed and supervised the Fund's real estate investments, a practice that diminished transparency and accountability for decision-making in that critical area of operations.

35. Another important issue was the Service's use of non-discretionary investment advisers, who provided economic, market and security analyses and made recommendations on investment strategy and individual investments for the Fund. There was no evidence, however, to indicate that the existing arrangement, which had cost the Fund $15.2 million for the biennium 2001-2002, added significant value in terms of the Fund's individual equity transactions. OIOS was also concerned that no performance parameters had been established against which to measure the performance of the investment advisers and the value added by their recommendations.

36. **Mr. Martini** (Italy), speaking on behalf of the European Union, the acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, the associated countries Bulgaria, Romania and Turkey, and, in addition, Iceland, Liechtenstein and Norway, noted with satisfaction that implementation of new administrative processes was under way or had even been completed in some offices. Since many processes remained cumbersome, inefficient and costly, however, further steps should be taken to rationalize the administrative process. Given the substantial resources that had been provided in recent years for information and communications technology, it was surprising that the Secretariat was not fully leveraging the advantages of technology or applying the modern process management practices that had been adopted by other organizations. While OIOS had focused its analysis on the processes in travel, procurement and the administration of staff entitlements, similar problems existed in other administrative areas, which the Secretariat should review. Consolidation of the delivery of common support services would mean a major shift, which was necessary in order to avoid further duplication and waste of resources.

37. **Mr. Dutton** (Australia), speaking also on behalf of Canada and New Zealand, expressed concern about the excessive size and cost of administration in many parts of the Organization. The report of OIOS on duplication, complexity and bureaucracy (A/58/211) showed that too many administrative processes were inefficient, that the full advantages of investments in information technology were not being realized and that there was scope for using delegation of authority to cut duplication in executive offices. The Secretary-General should take steps to improve the productivity of administrative functions, including through implementation of the recommendations of OIOS.

38. The audit of the Investment Management Service of UNJSPF (A/58/81) had revealed serious weaknesses in the internal control system that exposed the Fund and the staff who relied on it during their retirement to unwarranted risks. The Secretary-General should take immediate steps to remedy the deficiencies that had been identified by OIOS, which should continue to monitor the situation.

39. **Ms. Attwooll** (United States of America) said that the report of OIOS on the review of duplication, complexity and bureaucracy in United Nations administrative processes and procedures (A/58/211) confirmed her delegation's view that there was ample

room for improving the efficiency of the Organization's administrative procedures. The report and its recommendations would be an important tool in her delegation's review of the budget proposals at the current session of the General Assembly. It laid the groundwork for further examination of administrative practices, benchmarks and immediate efficiency gains and reinforced the concept that further automation would free up administrative staff to attend to higher priority activities. In that connection, it would be useful for OIOS to indicate what additional areas could benefit from a similar review and whether any such assessment had already been initiated either by OIOS or by relevant departments.

40. The Office had identified the World Bank as a useful example for benchmarking and the Organization should explore the feasibility and advantages of instituting a mobility premium similar to that used by the Bank. In addition to reducing the administrative load generated by staff entitlements, that initiative had the added benefit of promoting mobility, which was still deficient in the United Nations.

41. While she appreciated the scrutiny given to United Nations travel claims, there was ample room for reshaping and streamlining the highly inefficient system. She questioned the continued heavy reliance on manual processes, in light of the substantial time and resources that had been dedicated to information technology initiatives. The lack of oversight and accountability for the transition to an electronic United Nations represented a serious flaw in the Organization that must be set straight if the Organization was to reap the benefits of its investments in technology. OIOS had highlighted the ways in which that could be addressed, including through greater delegation of authority and consolidation of the delivery of common services.

42. **Mr. Repasch** (United States of America) acknowledged the progress that had been made in implementing the recommendations of the audit of the Investment Management Service, but expressed disappointment at the revelations of the extremely poor management of the Service resulting from a weak organizational structure, improper segregation of duties, lack of monitoring and evaluation and disregard for proper investment procedures. His delegation wished to know, in particular, how long the arrangement under which 30 per cent of the Fund's total investments had been managed by one senior investment officer had been in effect and what had been done to correct it.

43. In an operation like the Investment Management Service, documentation and record-keeping in accounting activities were of paramount importance. His delegation was therefore surprised at the Secretariat's failure to respond to the recommendation of OIOS that the verbal instructions of authorized officials should be documented. The absence of such documentation could easily lead to unauthorized transactions going undetected for extended periods of time. His delegation would welcome details about the action taken to correct that situation.

44. His delegation fully supported the view of OIOS that the United Nations code of conduct was not comprehensive enough to address the specific elements and requirements of the investment staff of the Service. Given the huge amount of the investments involved and the sensitive nature of its activity, the Service's attitude on the issue was quite frankly surprising.

45. The Investment Management Service must also be held responsible for curbing duplication and waste, including the use of both brokers and non-discretionary advisers. Considering that OIOS had found no comparable examples of such a practice in the investment industry, his delegation would insist on receiving a full justification of that costly effort. When officials were found to have mismanaged their operations, the Organization must take clear and forceful action to fix the problem, prevent its recurrence, and send a signal to the staff that there was no tolerance for such behaviour. In that regard, he wished to know what kinds of accountability measures were in place and what had happened to the officials responsible for the operations covered in the report.

46. While several of the audit recommendations had already been accepted and acted upon, others had yet to be properly addressed. His delegation hoped that the representative of the Secretary-General would give the report the prompt attention it deserved.

Agenda item 133: Scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations (A/58/157)

47. **Mr. Gilpin** (Chief of the Contributions Service), introducing the report of the Secretary-General on the implementation of General Assembly resolutions 55/235 and 55/236 (A/58/157), said that the details of

peacekeeping levels, based on average per capita gross national income of Member States and other factors, were contained in annex I to the report. In its resolution 55/236, the General Assembly welcomed the voluntary commitment of several Member States to pay at a rate higher than required by their per capita income. In resolution 55/235, it requested the Secretary-General to update the composition of levels on a triennial basis, in conjunction with the review of the regular budget scale and in accordance with the criteria established in the resolution, and to report thereon to the General Assembly. The new composition of levels, including relevant transition periods, was indicated in annex II to the report. For the purposes of the updating, it had been assumed that Member States, other than Turkey, that had moved voluntarily to a higher level would remain at that level unless they indicated otherwise.

48. While none of the Member States listed in resolution 55/236 had so far indicated an intention to change their earlier status, a letter had been received from the Republic of Korea requesting that it revert to its natural level under the criteria set out in resolution 55/235. In light of the specific ad hoc arrangements which the General Assembly had decided upon, outside of the general transitional provisions of the resolution, for the Republic of Korea to gradually move up to 100 per cent of its regular budget assessment rate for peacekeeping in 2005, the Assembly would need to consider what action to take on the request from the Republic of Korea. More generally, the Committee might wish to take note of the Secretary-General's report on the updating of the composition of peacekeeping levels.

49. For purposes of illustration, annexes IV and V to the report showed the effective rates of peacekeeping assessments for the period 2004-2006, based on the regular budget scale of assessments recommended by the Committee on Contributions.

50. **Mr. Martini** (Italy), speaking on behalf of the European Union, the acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, the associated countries Bulgaria, Romania and Turkey, and, in addition, Iceland, Liechtenstein and Norway, commended the timely issuance of the report before the Committee. Noting that the methodology for the apportionment of peacekeeping expenses adopted by the General Assembly in resolution 55/235 had been fixed until 2009 and that the Secretary-General had been requested only to update the composition of the groups of Member States used for establishing the rates of assessment, he called for the implementation of all paragraphs of the resolution. In particular, agreements regarding the placement of Member States in the groups must be respected, as must the transition periods agreed for certain countries. The European Union could not consent to movement between groups in the next three-year scale period except as provided for in resolution 55/235.

51. **Mr. Chun** Yung-woo (Republic of Korea) said that his delegation's agreement to increase the share of the Republic of Korea in the costs of peacekeeping operations from 20 per cent of the regular budget assessment to 100 per cent over the period 2001-2005 had been based on the assumption that average per capita gross national income (GNI) over the period 1996-2001 would exceed the threshold for level B. It had not been intended as a derogation from the principles, set forth in paragraphs 9 and 11 of resolution 55/235. His delegation believed that those principles should be upheld. Accordingly, it was now requesting that the Republic of Korea should be assigned to the lowest level of contribution with the highest discount for which it was eligible. It trusted that, in reviewing that request, the Committee would take into account that the average per capita GNI of the Republic of Korea in the base period had been below the threshold for level B. The Republic of Korea was committed, however, to fulfilling its financial obligations to the Organization and was ready to move to the highest level in the scale that its economic performance should so warrant.

52. **Mr. Srisodapol** (Thailand) said that his delegation endorsed the updated composition of levels for the financing of peacekeeping operations as contained in document A/58/157 and the methodology used. It had taken note of the request by the Republic of Korea and the assumption by the Secretariat that that country should be placed in level D in 2006. It trusted that all sides could reach a mutually acceptable decision on the matter.

53. Thailand had participated actively in a number of United Nations peacekeeping and observer missions and was one of the largest troop contributors to the United Nations Transitional Administration in East Timor and the United Nations Mission of Support in East Timor. It had always paid its peacekeeping assessments in full and on time and expected other

Member States to do likewise. His delegation noted, however, that shortfalls in the peacekeeping budget owing to unpaid assessments were preventing the United Nations from reimbursing troop contributors in a timely fashion. The Organization had also been forced to cross-borrow almost $200 million from closed peacekeeping missions to fund the regular budget and the budgets of the two international Tribunals. It was to be hoped that that practice could be avoided in future, since cash for such missions should be returned to Member States, as mandated by the General Assembly.

54. Owing to its limited human and financial resources, the United Nations could not involve itself in all conflicts, nor could it allow its peacekeeping operations to become permanent fixtures. Accordingly, each peacekeeping mission should have a clear time frame and exit strategy. However, once a decision was taken to deploy United Nations peacekeepers, the international community should ensure that they had both the necessary political support and adequate financial resources to complete their mission successfully.

55. **Mr. Iida** (Japan) said that his delegation attached great importance to peacekeeping operations, which were the principal means of achieving the objectives of the Charter. It was the Security Council with its 5 permanent members and 10 non-permanent members which decided when to establish peacekeeping operations. With privilege came responsibility. The share of the five permanent members in the expenses of United Nations peacekeeping operations should reflect that responsibility, as well as their capacity to pay, a principle confirmed in paragraph 1 (d) of resolution 55/235.

56. The permanent members were currently included in level A, while Japan was in level B. However, Japan currently bore almost 20 per cent of peacekeeping expenses, paying more than the assessments of four of the permanent members combined. A growing number of Japanese tax payers felt that Japan was being treated unfairly in the United Nations. In order for the Governments of the major contributors to pay their share of peacekeeping expenses with the understanding of their taxpayers, it was imperative to establish a mechanism for dialogue between them and the Council.

57. Resolution 55/235 had introduced a systematic peacekeeping scale for the first time. The resolution must be fully implemented, since any deviation from its provisions would have serious implications for the regular budget scale.

58. **Ms. Bethel** (Bahamas) said that she had taken note of the Secretary-General's report on the implementation of General Assembly resolutions 55/235 and 55/236 (A/58/157), according to which, for the period 2004-2006, the Bahamas would move upwards from level D to level B in the scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations.

59. In that connection, she recalled that the Bahamas was a small island developing State with a population of less than 300,000. It therefore had limited human and economic resources, was vulnerable in the area of defence and was susceptible to environmental disasters and external economic shocks. In addition, as an archipelago, it faced particular difficulties in the delivery of social and other services to the population of its 22 inhabited islands.

60. Against that backdrop, she wished to point out that the Bahamas had argued on numerous occasions in various international forums that per capita gross national income (GNI) should not be given undue weight in determining States' capacity to pay, as it often led to distortions. That was particularly apparent in the calculation of the scale of assessments for peacekeeping operations, according to which the Bahamas was now in the same category as the world's most developed economies, with the exception of the permanent members of the Security Council.

61. In her view, the current scale not only placed an increased burden on the Bahamas, but also penalized its efforts to achieve economic growth. The Bahamas was also at an indirect disadvantage on account of the GNI criterion, which did not adequately reflect the vulnerability of its economy or the extraordinary costs of infrastructure duplication owing to its status as an archipelago. It was ironic that the Bahamas was being called upon to assume a greater share of the financial burden for peacekeeping operations when its economy was facing serious challenges on account of actions that had been promulgated in other international forums in which it was not able to participate.

62. The Bahamas had never shirked its responsibilities as a fully fledged member of the international community and was committed to paying its assessed contributions to the United Nations in full,

on time and without conditions. The United Nations was indispensable for small States and it was in their interest to ensure that all its activities, including peacekeeping operations, were effective, efficient and properly financed.

63. **Mr. Iosifov** (Russian Federation) said that his Government attached great importance to the fulfilment by all Member States of their financial obligations to the United Nations. General Assembly resolution 55/235 on the scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations had represented a compromise solution to a delicate issue. His delegation therefore wished to call for the implementation of all provisions of the resolution, which it viewed as a single whole. It also noted the decision of the General Assembly not to alter the scale methodology.

64. **Ms. Wang** Xinxia (China) endorsed the statement made by the representative of Italy on behalf of the European Union. She recalled that General Assembly resolution 55/235 had established a new system for determining Member States' rates of assessment for peacekeeping operations, which had been used to place each Member State in one of 10 contribution levels and had also provided for transition periods for States moving up by two or more levels. Given that the resolution had been the result of intense negotiations involving all Member States and that the assignment of Member States to the various contribution levels had been carried out on the basis of agreed criteria, she took the view that the provisions of the resolution should be respected in their entirety and without exception.

65. **Mr. Farid** (Saudi Arabia) said that, according to paragraph 7 of the Secretary-General's report (A/58/157), Saudi Arabia had moved upwards from level G to level F. However, the average per capita GNI of Member States used in the calculation of the thresholds for contribution levels for the period 2004-2006 was based on figures from the six-year base period 1996-2001. That constituted a deviation from the method used to calculate the scale of assessments recommended by the Committee on Contributions for the period 2004-2006, which had two base periods, of six (1996-2001) and three (1999-2001) years. Such a deviation was unacceptable, and he therefore strongly urged the General Assembly to retain the agreed method of calculation until 2006.

66. He reminded the Committee that Saudi Arabia depended on a single source of income that could be depleted or exhausted without warning. Accordingly, using GNI as a measurement of capacity to pay led to distortions.

67. *Mr. Kmoníček (Czech Republic) resumed the Chair.*

68. **Mr. Repasch** (United States of America) said that the reformed methodology for the apportionment of the expenses of peacekeeping operations had been agreed upon in 2000 following difficult and sensitive negotiations. That methodology was now fixed until 2009 so that, at the current session, the General Assembly had only to update the composition of the various contribution levels, in conjunction with the reviews of the scale of assessments for the regular budget. Accordingly, his delegation wished to confirm its view that all paragraphs of resolution 55/235 should be fully implemented, without exception, and that all previously agreed transition periods for specific Member States must be respected. In that connection, his delegation could not agree to any movement between contribution levels during the forthcoming three-year period.

69. **Mr. Gilpin** (Chief of the Contributions Service), in response to the statement made by the representative of Saudi Arabia, said that, pursuant to General Assembly resolution 55/5 B, the scale of assessments for the regular budget had indeed been prepared using the average statistics from two base periods (1996-2001 and 1999-2001). However, in accordance with paragraph 12 of General Assembly resolution 55/235, the per capita gross national product (GNP) of Member States for the purposes of the calculation of rates of assessment for peacekeeping operations was the average of the figures from a six-year (1993-1998) base period. Likewise, and in line with the observations of the Secretary-General in his earlier report providing information on the implementation of General Assembly resolutions 55/235 and 55/236 (A/C.5/55/38), the average per capita GNP figures for the six-year (1996-2001) base period should be used in updating the composition of the levels used for peacekeeping assessments for the period 2004-2006. Therefore, no deviation from the agreed methodology had occurred.

Agenda item 120: Programme budget for the biennium 2002-2003 (*continued*) (A/58/7 and Corr.1 and Add.1, A/58/154 and A/58/217)

Construction of additional office facilities at the Economic Commission for Africa

70. **Mr. Belov** (Chief of the Common Services Unit, Office of Programme Planning, Budget and Accounts), introducing the report of the Secretary-General on the construction of additional office facilities at the Economic Commission for Africa (A/58/154), said that the report in question was the second progress report submitted to the General Assembly pursuant to resolution 56/270. Paragraphs 4 and 7 described a number of difficulties encountered in the process of identifying suitable professional architectural and engineering services, which had resulted in a decision to rebid the design work and had ultimately caused a 10-month delay in the implementation of the project. Paragraph 8 of the report presented a revised schedule of design consultancy and construction activities. He noted that the unforeseen delay was not expected to affect the total cost of the project.

71. Since the publication of the report, 10 architectural companies had submitted bids for the design work and a potential contractor had been identified. The contract was currently being reviewed at Headquarters and it was hoped that work would begin before the end of October.

72. Progress had also been made with regard to land allocation. The addendum to the agreement between the host country and the United Nations was currently with the host Government for signature and it was hoped that the administrative authorities in Addis Ababa would clear the land in question and hand it over to the Economic Commission in November.

Strengthening the Department of Public Information, within the existing capacity, in order to support and enhance the United Nations web site in all official languages of the Organization

73. **Ms. Van Buerle** (Chief of the Political, Legal and Humanitarian Service, Office of Programme Planning, Budget and Accounts), introducing the report of the Secretary-General on strengthening the Department of Public Information, within the existing capacity, in order to support and enhance the United Nations web site in all official languages of the Organization (A/58/217), said that the report had been submitted in response to General Assembly decision 57/579, in which the Assembly had requested the Secretary-General to provide follow-up information on his proposals regarding parity among the official languages on the web site.

74. In accordance with the provisions of decision 57/579, the Department of Public Information had been continually updating the online News Centre in all six official languages. In addition, the Official Document System (ODS) had recently been linked to the web site, making it possible to consult over 28,000 documents in all six languages. Over the forthcoming months, and with the assistance of pro bono services, a thorough analysis of the web site would be carried out, with a view to the formulation of realistic proposals for redesigning, restructuring and refocusing it, including the multilingual aspects.

75. With regard to the programme budget for the biennium 2004-2005, the Department of Public Information had requested the redeployment of 1 P-4 post and 6 General Service posts as a result of the consolidation of the United Nations information centres. Furthermore, a number of Secretariat departments had requested additional resources in order to increase the availability of their source materials in all official languages. Lastly, she noted that the Information Technology Services Division was hoping that, within the framework of the proposed programme budget for the biennium 2004-2005, it would be possible to provide free public access to ODS. That would further enhance the usefulness of the web site, which had reached a milestone on 5 February 2003 by recording more than 10 million hits during a 24-hour period.

76. *Mr. Elkhuizen* (*Netherlands*), *Vice-Chairman, took the Chair.*

77. **Ms. Attwooll** (United States of America) said that she wished to congratulate the Department of Public Information on its efforts to enhance the web site, which was an excellent example of a public information activity with the capacity to reach wide audiences around the world and an important tool for the reduction of costly and time-consuming paper document distribution. She supported the linkage of ODS to the web site, and took the view that resources freed up from the establishment of United Nations information hubs should, first and foremost, be

redeployed to strengthen the multilingual capacity of the web site and the capacity to provide free public access to ODS. In that connection, she inquired as to the time frame for the provision of that access and also asked how the development of ODS had led to efficiencies within the Organization.

78. She welcomed the fact that the Department was aggressively pursuing and enlisting the pro bono assistance of the global academic community in translating documentation, and urged it to use and expand that relationship to the extent possible. Other departments of the Secretariat had been encouraged to provide materials in all six official languages on a more regular basis. While she had no objection in principle to that course of action, she wished to remind those concerned that the web site was a tool, not an official document, and that Secretariat staff were only required to know one of the two working languages of the United Nations. In that connection, she inquired as to which departments had requested additional resources from the proposed programme budget to facilitate additional translation and to what extent that would free up resources in the Department of Public Information that had previously been dedicated to translation.

79. Lastly, she hoped that the planned pro bono analysis of the web site would take into account the investment in information technology requested under the proposed programme budget for 2004-2005 and the ways in which that investment would have a positive effect on the development of the site.

Organization of work

80. **Ms. Afifi** (Morocco), speaking on behalf of the Group of 77 and China, said that the Group had not yet finalized its position on agenda item 125 "Pattern of conferences" and would therefore be unable to participate meaningfully in the informal consultations on the item scheduled for the afternoon of Friday, 24 October 2003. She requested the Chairman to allow the Group to use that time to coordinate its position.

81. **Ms. Attwooll** (United States of America) said that the afternoon of Wednesday, 22 October 2003, had already been set aside for the Group. Her delegation had hoped that the Committee would complete its consideration of item 125 by the end of the week. If the Committee was not to discuss the item the following afternoon, the Chairman should inform members how he proposed to use that time.

82. **Mr. Martini** (Italy), speaking on behalf of the European Union, the acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, the associated countries Bulgaria, Romania and Turkey, and, in addition, Iceland, Liechtenstein and Norway, expressed support for the views of the previous speaker. His delegation had agreed to the programme of work on the understanding that some items, including item 125, would be dealt with expeditiously, and he trusted that the Committee would proceed on that basis.

83. **The Chairman** said that the Bureau would consider the matter at its 9 a.m. meeting the following day.

84. **Ms. Attwooll** (United States of America) said that the Bureau should endeavour to resolve the matter no later than the close of business that day so that delegations could prepare properly for the Committee's deliberations the following day.

Other matters

85. **Mr. Herrera** (Mexico) said that the Secretariat had yet to reply to the questions posed by the representative of Costa Rica regarding the ban on smoking in the conference rooms. His delegation had looked forward to the response by the Secretariat since it had some doubts about the manner in which the decision had been taken.

86. **Mr. Abelian** (Secretary of the Committee) said that the representative of Costa Rica, who was currently absent, had requested that the Secretariat wait until her return before replying to the questions she had raised. He would, however, communicate the concerns expressed by the representative of Mexico to the relevant officials.

The meeting rose at 12.10 p.m.